

**COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

**COMMUNITY CENTER PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
LAKE CHARLES, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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Required Supplemental Information (Part I):

Management's Discussion and Analysis

Community Center and Playground District No. 4 of Ward 1
Of Calcasieu Parish, Calcasieu Parish Police Jury
Lake Charles, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2008

As Management of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in Statement No. 34, Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments ("GASB No 34") issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at December 31, 2008 by \$3,061,232 (net assets).
- The District's net assets increased by \$337,186 as a result of this year's operations.
- Total net assets are comprised of the following:
 - (1) Capital assets of \$2,486,227 which include land, construction in progress, property, and equipment, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$575,005 represent the portion available to maintain the District's continuing obligations to citizens and creditors.
- At December 31, 2008, the District's governmental funds consist solely of the District's general fund. The District's governmental funds reported a total ending fund balance of \$575,005, a decrease of \$205,141, including expenditures for capital assets. Of the total fund balance, \$575,005 is unrestricted and available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. In accordance with GASB No. 34, the District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements of the District report information about the District using accounting methods similar to those used by private companies. They present the financial picture of the District from an economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term obligations.)

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Districts is improving or deteriorating.

The Statement of Activities presents the current year's revenues and expenses and other information showing how the District's net assets changed during the year. The change in net assets is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Community Center and Playground District No. 4 of Ward 1
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Management's Discussion and Analysis
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Government-wide Financial Statements. (continued)

Thus, revenues and expenses are reported in this statement for *some items* that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented on pages 10 - 11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund – the general fund. The District adopts an annual appropriated budget for the general fund, and a budgetary comparison schedule is provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 10-11 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentation. The general fund's budgetary comparison schedule is included as "required supplementary information." Required supplementary information is information that the accounting rules strongly suggest be presented within the District's financial report. This schedule demonstrates compliance with the District's adopted and final revised budget.

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Management's Discussion and Analysis
For the Year Ended December 31, 2008

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net assets at December 31, 2008 and 2007 are summarized as follows:

Summary of Net Assets

	2008	2007
Assets:		
Current Assets	\$ 1,583,213	\$ 1,556,096
Capital Assets (net of accumulated depreciation)	<u>2,486,227</u>	<u>1,942,117</u>
Total Assets	<u>\$ 4,069,440</u>	<u>\$ 3,498,213</u>
Liabilities:		
Current Liabilities	<u>\$ 1,008,208</u>	<u>\$ 775,948</u>
Total Liabilities	<u>1,008,208</u>	<u>775,948</u>
Net Assets:		
Invested in Capital Assets (net of related debt)	2,486,227	1,942,117
Unrestricted	<u>575,005</u>	<u>780,148</u>
Total Net Assets	<u><u>\$ 3,061,232</u></u>	<u><u>\$ 2,722,265</u></u>

The largest components of the District's total assets are: (1) cash and investments of \$702,982 or 17% (2) capital assets (e.g., land, building, and improvements and equipment, (net of accumulated depreciation) of \$2,486,830 or 61%; and (3) ad valorem taxes receivable of \$717,599 or 18%. Of the District's total liabilities, the largest component is (1) the unearned revenue of \$755,898 or 75%.

As noted earlier, net assets (total assets less total liabilities) may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the District's net assets totaled \$3,061,232. A portion of the District's net assets reflect its investments in capital assets (e.g., building, land and equipment). Capital assets are non-liquid assets and cannot be utilized to satisfy the District's obligations. The unrestricted net assets of the district are available for future use.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial statements of the District present its General Fund. The General Fund is the District's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is useful in assessing the resources available at the end of the year in comparison with upcoming requirements.

Total operating revenues reflect a 28% (\$266,376) decrease in 2008 as compared to 2007 due primarily to a decrease of \$302,860 in intergovernmental revenue.

Total expenses, including capital outlay, decreased by (\$418,595) from 2007 to 2008. The most significant decrease in expenses occurred in capital outlay.

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Management's Discussion and Analysis
For the Year Ended December 31, 2008

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (continued)

Summary Statement of Changes in Fund Balance

	2008	2007
General Revenues:		
Ad valorem Taxes	623,844	566,565
Intergovernmental Revenues	21,267	324,127
Investment Income	-	53,134
Donations	-	250
Interest Income	1,097	-
Miscellaneous Revenues	-	750
Riverboat Endowment	5,000	-
Total General Revenues	<u>651,208</u>	<u>944,826</u>
Program Revenues:		
Rentals	350	686
Total Revenues	<u>651,558</u>	<u>945,512</u>
Expenses:		
Culture and Recreation	224,175	281,878
Capital Outlay	634,307	719,912
Total Expenses	<u>858,482</u>	<u>1,001,790</u>
Change in Net Assets	(206,924)	(56,278)
Net Assets - Beginning	780,148	836,426
Prior Period Adjustments	1,781	-
Net Assets - Ending	<u>\$ 575,005</u>	<u>\$ 780,148</u>

Governmental activities decreased net assets by \$205,143 for the year ended December 31, 2008.

Key elements of the analysis of revenues and expenses reflect the following:

- The District is heavily dependent on property taxes to support its operations. Property taxes provided 96% of the District's total revenues.
- Revenue sharing provided by the State of Louisiana and program revenues totaled approximately less than 3% of the District's current year resources for both years.
- The decrease in capital outlay expenditures is due to a reduction in the intergovernmental revenues this year.
- Repairs and Maintenance expense comprise 33 % of the total of culture and recreation expenses.

GENERAL BUDGETARY POLICY

The District employs formal budgetary integration as a management control device during the year. Budgeted amounts included in the Schedule of Revenues, Expenditures, and Changes in Fund Balances -- Budget and Actual include the original adopted budget amounts and the final amended budget amounts. Original budgets for each year are adopted on or before December 31 of the year proceeding the budget year. The original budget is based on estimated revenues, estimated expenses, and other financial information known to the District at the time of the adoption of the budget. Amendments to the original budget are made throughout the year as changes in operations, in expected funding levels, and in estimated expenditures occur. The final amended budget is prepared at the time the District anticipates no additional

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Management's Discussion and Analysis
For the Year Ended December 31, 2008

GENERAL BUDGETARY POLICY (continued)

significant increases or decreases in revenues and expenses for the year and no expected changes in operations.

CAPITAL ASSETS

At the end of December 31, 2008, the District had invested in various capital assets, including building, improvements and equipment. The capital assets are summarized below:

Nondepreciable Assets:	2008	2007
Land	\$ 382,775	\$ 382,775
Construction in Progress	441,339	-
Total Nondepreciable Assets	824,114	382,775
Depreciable Assets:		
Equipment	124,472	56,590
Improvements	1,479,562	1,354,476
Buildings	844,172	844,172
Total Depreciable Assets	2,448,206	2,255,238
Less Accumulated Depreciation	786,092	695,896
Net Capital Assets	\$ 2,486,228	\$ 1,942,117

Capital assets increased this year due to the following:

- Land improvements made during the year included parking lot improvements, new girls batting cages, and various other improvements.
- Construction in progress includes construction of the open air gym and the recreation complex backstops.

ECONOMIC FACTORS AND FUTURE OUTLOOK

Other than a reduction in capital outlay projects, the District does not anticipate any changes in the day-to-day operations that will have a material effect on its 2009 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ricky Bellon, at the District's Office, P.O. Box 12136, Lake Charles, Louisiana 70612-2136 or call at (337) 540-7717.

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Community Center and Playground District
No. 4 of Ward 1 Of Calcasieu Parish
Calcasieu Parish Police Jury
Lake Charles, Louisiana

We have audited the accompanying financial statements of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2008 as listed in the table of contents. These financial statements are the responsibility of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, as of December 31, 2008 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2009 on our consideration of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

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The Management's Discussion and Analysis and supplemental information schedules on pages 3 through 7 and pages 18 through 19 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs
May 21, 2009

Statement A

**COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
Lake Charles, Louisiana**

Governmental Funds Balance Sheet/Statement of Net Assets

December 31, 2008

	General Fund	Adjustments (Note 1)	Statement of Net Assets
ASSETS			
Cash and Cash Equivalents	\$ 702,982	\$ -	\$ 702,982
Ad valorem Tax Receivable	717,599	-	717,599
Prepaid Expense	7,925	-	7,925
Due from Other Governments	154,707	-	154,707
Capital Assets, (net of accumulated depreciation)	-	2,486,227	2,486,227
Total Assets	\$ <u>1,583,213</u>	\$ <u>2,486,227</u>	\$ <u>4,069,440</u>
LIABILITIES			
Current:			
Accounts Payable	\$ 203,395	\$ -	\$ 203,395
Payroll Taxes Payable	517	-	517
Retainage Payable	13,821	-	13,821
Due to Other Governments	31,577	-	31,577
Refundable Deposits Payable	3,000	-	3,000
Unearned Revenues	<u>755,898</u>	<u>-</u>	<u>755,898</u>
Total Liabilities	1,008,208	-	1,008,208
FUND BALANCES			
Unrestricted	<u>575,005</u>	<u>(575,005)</u>	<u>-</u>
Total Fund Balances	<u>575,005</u>	<u>(575,005)</u>	<u>-</u>
Total Liabilities and Fund Balances	\$ <u>1,583,213</u>		
NET ASSETS			
Invested in Capital Assets		2,486,227	2,486,227
Unrestricted		<u>575,005</u>	<u>575,005</u>
Total Net Assets		\$ <u>3,061,232</u>	\$ <u>3,061,232</u>

The accompanying notes are an integral part of this statement

Statement B

**COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
Lake Charles, Louisiana**

**Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances/
Statement of Activities**

For the Year Ended December 31, 2008

	<u>General Fund</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES			
Current			
Payroll and Related Taxes	\$ 57,226	\$ -	\$ 57,226
Repairs and Maintenance	95,913	-	95,913
Telephone and Utilities	32,538	-	32,538
Insurance	16,565	-	16,565
Operating Services	21,933	-	21,933
Capital Outlay	634,307	(634,307)	-
Depreciation	<u>-</u>	<u>90,197</u>	<u>90,197</u>
Total Expenditures	858,482	(544,110)	314,372
PROGRAM REVENUES			
Rentals	<u>350</u>	<u>-</u>	<u>350</u>
NET PROGRAM REVENUE (EXPENSE)	(858,132)	-	(314,022)
GENERAL REVENUES			
Ad valorem Taxes	623,844	-	623,844
State Revenue Sharing	21,267	-	21,267
Riverboat Endowment	5,000	-	5,000
Interest Income	<u>1,097</u>	<u>-</u>	<u>1,097</u>
Total General Revenues	<u>651,208</u>	<u>-</u>	<u>651,208</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(206,924)	544,110	337,186
Change in Net Assets	<u>(206,924)</u>	<u>544,110</u>	<u>337,186</u>
FUND BALANCE/NET ASSETS			
Beginning of Year, As Originally Reported	780,148	1,942,117	2,722,265
Prior Period Adjustment	<u>1,781</u>	<u>-</u>	<u>1,781</u>
Beginning of Year, As Restated	<u>781,929</u>	<u>1,942,117</u>	<u>2,724,046</u>
End of Year	\$ <u>575,005</u>	\$ <u>2,486,227</u>	\$ <u>3,061,232</u>

The accompanying notes are an integral part of this statement

Community Center and Playground District No. 4 of
Ward 1 of Calcasieu Parish, Calcasieu Parish Police Jury
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

The Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish (District) was created by the Calcasieu Parish Police Jury, as authorized by Act 82 of 1948. A board of five commissioners who are appointed by the Calcasieu Parish Police Jury governs the District. The commissioners serve terms of six years, without compensation, with their terms expiring on a rotating basis. The District owns and operates recreational facilities and engages in activities designed to encourage recreation and promote the general health and well being of youth of the community. The District serves approximately 10,000 people within its service area. The 38 acre recreational park operated by the District provides facilities for sports, meetings and family gatherings.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note A – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note B – Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Community Center and Playground District No. 4 reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District.

Community Center and Playground District No. 4 of
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

Note B – Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources as they are needed.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and the statement of Net Assets (Statement A) are as follows:

Statement B

Net Change in Fund Balance - total	\$ (206,924)
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Amounts reported for governmental activities in Statement of Net Assets are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$ 634,307	
Less: Current year depreciation	<u>90,197</u>	<u>544,110</u>
Change in Net Assets of Governmental Funds	\$	<u><u>337,186</u></u>

Statement A

Fund Balance	575,005
Reporting of net capital assets	<u>2,486,227</u>
Net Assets	\$ <u><u>3,061,232</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

Note C – Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Community Center and Playground District No. 4 of Calcasieu Parish's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Note D – Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$300 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Building	15-40 years
Improvements, other than building	15-40 years
Furniture and fixtures	5-10 years
Machinery and Equipment	5-15 years

Note E – Budgets and Budgetary Accounting

Annually, the District adopts a revenue and expenditure budget for the general fund. A forecast of revenues and expenditures is made based upon the prior year's expenditures and taking into consideration additional expenditures, which can be predetermined and estimated. All budgetary appropriations lapse at the end of each fiscal year.

The budget is adopted on a modified cash basis method of accounting. Budgetary comparisons presented in the report are on this non-GAAP budgetary basis. Budget amounts are as originally adopted, adjusted for subsequent amendments.

Note F – Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

Community Center and Playground District No. 4 of
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NOTES TO THE FINANCIAL STATEMENTS
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Note F – Estimates (continued)

reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. LEVIED TAXES

The District has authorized tax millage of 10 mills for capital improvements, 5 mills for general operating purposes, and 2 mills for the senior center operations on property with assessed valuations totaling \$80,510,370.

The following is a schedule for the 2008 property tax calendar that is applicable to the District:

1. Levy date – October 2008
2. Billing date – November 2008
3. Collection dates – December 2008 – February 2009
4. Due dates – December 31, 2008
5. Lien date – February 2009

The 2008 tax levy is used to finance the 2009 budget for the District. Governmental accounting standards state that the property tax receivable is recorded at the tax levy date. Property tax revenue is only recognized when the funds are both measurable and available and intended to finance the budget of a particular period. Since the budget period is not until 2009, the receivable and any collections made on the 2008 levy prior to the end of the year are reflected as unearned/deferred revenue. As such, both the government-wide and the governmental fund level financial statement presentations reflect that the District's 2008 tax levy as both a receivable and unearned/deferred revenue. An estimate for back taxes for uncollected prior year taxes has been reflected in the property tax receivable presentations.

3. CASH AND CASH EQUIVALENTS

At December 31, 2008, the District has cash and cash equivalents (book balances) totaling \$ 702,982, all in demand deposit accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount on deposit with the fiscal agent at all times. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2008, the District had \$710,040 in deposits (collected bank balances). These deposits are secured by \$250,000 of federal deposit insurance and \$460,040 pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds on demand.

Community Center and Playground District No. 4 of
Ward 1 of Calcasieu Parish, Calcasieu Parish Police Jury
Lake Charles, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2008 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 382,775	\$ -	\$ -	\$ 382,775
Construction in progress	-	441,336	-	441,336
Total capital assets, not being depreciated	382,775	441,336	-	824,111
Capital assets being depreciated				
Buildings	844,172	-	-	844,172
Improvements other than buildings	1,354,476	125,088	-	1,479,564
Equipment	56,590	67,882	-	124,472
Total capital assets being depreciated	2,255,238	192,970	-	2,448,208
Less accumulated depreciation	695,896	90,196	-	786,092
Total capital assets being depreciated, net	1,559,342	102,774	-	1,662,116
Total capital assets	\$ 1,942,117	\$ 544,110	\$ -	\$ 2,486,227

5. CONSTRUCTION COMMITMENTS

The District has two (2) active construction projects as of December 31, 2008, consisting of the construction of the open air gym and the recreation complex backstops. At year end the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Open Air Gym	\$ 316,336	\$ 248,188
Recreation Complex Backstops	125,000	34,890
Total	\$ 441,336	\$ 283,078

6. SALARIES FOR BOARD MEMBERS

There were no per diem or salary payments made to any board member during the year ended December 31, 2008.

7. RELATED PARTY TRANSACTIONS

The District rented a piece of equipment for a project through a company owned by the Park's Director and reimbursed the Park Director's company at cost. The Park Director's company has an account with the vendor and the equipment was rented using that account. The amount of the transaction was \$4,124.

Required Supplemental Information (Part II):

**Schedule of Revenue, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund**

Schedule 1

**COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
Lake Charles, Louisiana
GOVERNMENTAL FUND - GENERAL FUND**

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2008

Required Supplemental Information

REVENUES	Budgeted Amounts		Actual Amounts	Budgeted to	Actual Amount
	Original	Final	Non-GAAP Budgetary Basis	GAAP Differences Over (Under)	GAAP Basis
GENERAL/PROGRAM REVENUES					
Miscellaneous Income	\$ -	\$ -	\$ 350	\$ -	\$ 350
Advalorem Taxes, net	532,733	532,733	643,384	(19,540)	623,844
State Revenue Sharing	21,267	21,267	21,267	-	21,267
Riverboat Endowment	5,000	5,000	5,000	-	5,000
Interest	-	-	1,097	-	1,097
Total Revenues	<u>559,000</u>	<u>559,000</u>	<u>671,098</u>	<u>(19,540)</u>	<u>651,558</u>
EXPENDITURES					
Payroll and Related Taxes	53,160	58,300	59,011	(1,385)	57,226
Repairs and Maintenance	105,000	122,900	110,538	(14,625)	95,913
Telephone and Utilities	40,350	31,215	32,500	38	32,538
Insurance	29,250	24,500	24,490	(7,925)	16,565
Operating Services	23,600	86,600	25,033	(3,471)	21,933
Capital Outlay	<u>307,640</u>	<u>412,800</u>	<u>456,069</u>	<u>(124,656)</u>	<u>634,307</u>
Total Expenditures	<u>559,000</u>	<u>736,315</u>	<u>707,641</u>	<u>(152,024)</u>	<u>858,482</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(177,315)	(36,543)	(171,564)	(206,924)
FUND BALANCE AT BEGINNING OF YEAR	<u>781,929</u>	<u>781,929</u>	<u>781,929</u>	-	<u>781,929</u>
FUND BALANCE AT END OF YEAR	<u>\$ 781,929</u>	<u>\$ 604,614</u>	<u>\$ 745,386</u>	<u>\$ (171,564)</u>	<u>\$ 575,005</u>

See accompanying notes to the required supplementary information.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 4 OF WARD 1
OF CALCASIEU PARISH, CALCASIEU PARISH POLICE JURY
Lake Charles, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2008

NOTE A- BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B- EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Sources / Inflows of Resources	<u>General Fund</u>
Actual amounts (budgetary basis) "Total Revenues" from Schedule 1	\$ 671,098
<u>Differences - budget to GAAP:</u>	
The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis.	(19,540)
Total revenues as reported in the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 651,558</u>
 Uses / Outflows of Resources	
Actual amounts (budgetary basis) "Total Expenditures" from Schedule 1	\$ 1,010,535
<u>Differences - budget to GAAP:</u>	
The District budgets for expenditures only to the extent expected to be paid, rather than on the modified accrual basis.	(152,053)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 858,482</u>

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**Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance
With Government Auditing Standards**

Board of Commissioners
Community Center and Playground District
No. 4 of Ward 1 of Calcasieu Parish
Calcasieu Parish Policy Jury
Lake Charles, Louisiana

We have audited the financial statements of the governmental activities of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, a component unit of Calcasieu Parish Policy Jury, as of and for the year ended December 31, 2008, and have issued our report thereon dated May 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting [2008-1 & 2008-2].

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008-1 & 2008-2 to be material weaknesses.

McMullen
American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

Compliance and Other Matters

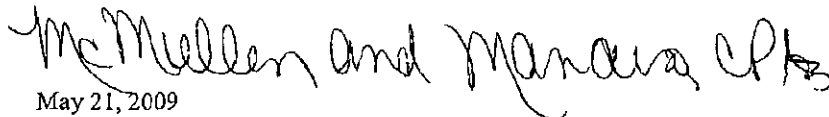
As part of obtaining reasonable assurance about whether the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Calcasieu Parish Policy Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses and item 2008-3.

We noted certain matters that we reported to management of the Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish, Calcasieu Parish Policy Jury in a separate letter dated May 21, 2009.

The Community Center and Playground District No. 4 of Ward 1 of Calcasieu Parish's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the District's responses, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of commissioners, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

McMullen and Mancuso, CPAs, LLC


May 21, 2009

Community Center and Playground District No.4 of Ward 1
of Calcasieu Parish, Calcasieu Parish Police Jury
Lake Charles, Louisiana

CURRENT YEAR FINDINGS, RECOMMENDATIONS AND CORRECTIVE ACTION PLAN

Year Ended December 31, 2008

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Section 1 - Internal Control and Compliance Material to the Financial Statements:						
2008-1: Segregation of Duties	Unknown	Because of the size of the District and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control	No	Management is aware of the internal control problem and determined it is not cost effective to achieve complete segregation of duties in the accounting department. For the size of the District, it has segregated as many duties as possible.	Ricky Bellon	N/A
2008-2 : Staff not Qualified to Issue GAAP Financial Statements	Unknown	The District does not have a staff member with the qualifications and training to apply GAAP in recording transactions or preparing financial statements.	No	The District has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined it is best to continue to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Ricky Bellon	N/A
2008-3: Compliance with Public Bid Law	2008	The District purchased equipment over \$20,000 without advertising the proposed purchase for bid as required by R.S. 38: 2212.1. While the District did follow the Legislative Auditor's recommendation of soliciting at least (3) three bids for a public works project in excess of \$25,000, the project was, in fact, in excess of \$100,000 and according to R.S. 38: 2212, should have been advertised for bid.	No	The District will ensure all future public works projects and purchases of equipment, material and supplies that meet the criteria in the public bid law will be followed.	Ricky Bellon	N/A

This schedule is prepared by management.

**Community Center and Playground District No.4 of Ward 1
of Calcasieu Parish, Calcasieu Parish Police Jury
Lake Charles, Louisiana**

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2008

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
----------------	-------------------------------------------------------	-------------------------------	------------------------------------	--------------------------------------------------------------------------

Section I - Internal Control and Compliance Material to the Financial Statements:

N/A

Section II - Internal Control and Compliance Material to Federal Awards:

N/A

Section III - Management Letter:

N/A

This schedule is prepared by management.